

CUSTOMER SATISFACTION ON HEALTH SERVICE DELIVERY

A CASE OF NHIF TEMEKE

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PURPOSE

THE general objective of this paper was to assess customer service quality and customer satisfaction of health service delivery in Tanzania focusing on the hospitals that provide health services to the members of NHIF. Specifically, the paper addresses two issues: firstly, to examine customer satisfaction on the basis of services offered to the members of NHIF by the hospitals which were studied; and secondly, it attempts to measure the customer satisfaction level through SERVQUAL model dimensions.

Design/Methodology/Approach: The case study was used whereby data collection involved primary data and secondary data. In addition, the SERVQUAL model, which was proposed by Parasuraman, Zeithaml, & Berry (1988) was applied. The model presupposes that “service quality is the difference between expectations and performance relating to quality dimensions” (Dudo & Amankwah, 2011, p. 28).

Findings: The results show that, most of the respondents were dissatisfied with the services offered by selected hospitals under NHIF. The complaints escalated by the patients are mainly associated with timing of delivery and quality of services, corruption, and usage of inappropriate language by the hospital staff with the patients. The SERVQUAL model dimensions showed that, with respect to tangibility, 45.7% NHIF members who get health services from the selected hospitals were not satisfied with the environment and premises of the selected hospitals. With respect to reliability, the findings show that, 55.7% of NHIF members were not satisfied; and about 57.2% were not satisfied with the hospital employees’ timeliness in delivering services. The other attributes of the model indicated that minority of the respondents (28.6%), were not satisfied with the knowledge of employees. Finally, based on the empathy, the results indicate that 58.3% of NHIF members disagreed that the staff members understand the needs of the customers.

Research Limitations/Implications: This study was limited to one district i.e. Temeke in Dar es Salaam region in Tanzania. However, given the methodology used, the findings shed light on customer care and satisfaction in provision of health services for the members of National Health Insurance Fund.

Practical Implications: “If physical facilities, including cleanliness, modern equipment, and the

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general feeling that the hospital is in a good physical condition, are well perceived then patient satisfaction increases” (Naidu, 2009, p. 368). If the hospitals’ employees do not care for the needs of the customers, it would affect the customer satisfaction in the health service delivery. This necessitates the prompt resolution of the complaints raised by the customers in addition to provision of adequate information to them regarding the means of settlement of their grievances within the organization. In case the aggrieved customers are dissatisfied with the corrective action taken by the service provider in correspondence to their complaints, they should have the access to their rights of availing alternative remedies.

Originality/Value: *The researchers developed the title, objectives, and research questions, collected and analyzed data and the results of the research are as reported.*

Key Words: *Health Service Delivery, Customer Satisfaction.*

Introduction

Health insurance is “insurance against the risk of incurring medical expenses among individuals. By estimating the overall risk of health care and health system expenses, among a targeted group, an insurer can develop a routine finance structure, such as a monthly premium or payroll tax, to ensure that money is available to pay for the health care benefits specified in the insurance agreement. The benefit is administered by a central organization such as a government agency, private business, or non-profit entity” (Belkin & Morone, 1994, p. 26). “National health insurance is a legally enforced scheme of health insurance that insures a national population against the costs of health care. It may be administered by the public sector, the private sector, or a combination of both. Funding mechanisms vary with the particular program and country. National or statutory health insurance does not equate to government-run or government-financed health care, but is usually established by national legislation” (Mbogori, Ombui, & Iravo, 2015, p. 1).

“The world’s oldest national health insurance can be traced in Germany with origins dating back to Otto von Bismarck’s Sickness Insurance Law of 1883” (Leichter, 1979, p. 121). “Initially the health insurance law of 1883 covered blue-collar workers in selected industries, craftspeople, and other selected professionals. It is estimated that this law brought health insurance coverage up from 5 to 10 per cent of the total population” (Carrin & James, 2005, p. 47). In 1908, the United Kingdom’s Chancellor of the Exchequer, David Lloyd George visited Germany. In his 1909 budget speech, he said that the United Kingdom should target to be on the same level as that of Germany in terms of providing advantages of insurance to the salaried class. The National Insurance Act was proposed and approved in 1911. With the implementation of this Act, the working class in UK could get access to the contributory system of insurance against illness and unemployment for the first time. However, the benefits of the insurance were applicable for the employed people and their families and unemployed people had to seek support from other sources. (The National Archives, 2013). The arrangement of health insurance operated in this manner till 1948 when the National Health Service (NHS) was created. It was funded out of general taxation and operationalized a universal service for all the residents.

In Tanzania, the National Health Insurance Fund (NHIF) is the public institution established by the Act no. 8 of 1999. The aim of the institution was to facilitate medical services for the employees working under public sector, private sector, and other groups. The functioning of NHIF was initiated on 1st July, 2001 in order to pave way for implementation of the health sector reform policy of 1993-94. According to the NHIF Act no. 8 of 1999, the registration and contribution to the fund was mandatory for all the employers and employees working under public sector undertakings. The amount of contribution in such case was fixed at six per cent of an employee’s monthly basic salary to be shared between employee and employer equally. However, the NHIF categorized the beneficiaries, thus, include the contributing member’s spouse and up to four dependents that are legally identified. Under NHIF

context, dependents include biological children or legally adopted children and parents. The main purpose of establishing the scheme was to have a reliable and stable system of financing the health sector so as to ensure the sustainability of the service. At its inception in 2001, the fund was meant to cover civil servants only, but now the scope of its mandate has extended to include both the public and private sectors. In the recent years, college students, nuns, the clergy, and other religious ministries have been brought on board of the NHIF safety net. Many organized groups and individual members are also subscribing to the national scheme (NHIF) in large numbers.

It has been a big debate concerning customer satisfaction as it is becoming a huge area of concentration as many of the employers or organizations have failed to understand the importance of customers, especially when it comes to the provision of services in an organization. Studies (Sitzia & Wood, 1997; Williams & Calnan, 1991) have been undertaken in the past to discuss the factors affecting customers' satisfaction. Amponsah & Hiemenz (2009, p. 50) argued that, "measures of customer satisfaction with health care can provide important assessment of quality of health care which are not adequately captured by other health service statistics such as patient throughput, waiting times, consultation times, and proximity."

Objectives of the Study

The primary objective of the study was to measure customer service quality and customer satisfaction on health service delivery in Tanzania focusing on the hospitals that provide health services to the members of NHIF. Specifically the paper aims:

- To examine customer satisfaction on services offered to the members of NHIF by the hospitals which were studied; and
- To find out the level of customer satisfaction through SERVQUAL model dimensions.

Documentary Review and Approach

Literature Review

Carrin, Buse, Heggenhougen, & Quah (2009) pointed out that in a modern society, health care is an important issue to be addressed in order to sustain good health of the population. "Although all nations share the same goal of improving the health of a population in a cost effective and equitable manner, healthy systems vary greatly from country to country. However, a perfect health system does not exist. In fact, nearly every nation is continuously undergoing certain health system reforms and system improvement. Government is constantly striving for a high quality, cost-effective, and universal health care system" (Wang, 2008, p. 799). However, Mascarenhas (1993) tries to explain the health care system as a system that consists of two parts, one is patient while on the other hand, there is a client. He further states that, this is consistent with the health care literature, which suggest that patients and clients often have conflicting objectives, in that patient prefer comprehensive coverage with the least out-of-pocket disbursement, whereas clients give priority to cost containment.

Health Insurance Benefits

Byers, Sheeran, Mlodzianowski, Meyers, Nassisi, & Bruce (2008) emphasized on the benefits of various insurance programs. For example, as per the report of the survey related to employee benefit conducted by US Chamber of Commerce (2006), 94 percent of the respondents were provided some form of medical insurance by their employers. At the same time, however, many employees of small companies are not covered by company sponsored health insurance. For example, a 2003 survey by the National Federation of Independent Business found that 75 percent of the responding

small businesses provided a health plan. The medical insurance programs which are sponsored by the company facilitate the payment of premium for the employees in such a way that it is paid either solely by the employer or the employer and the insured employee shares the responsibility of payment of the premium amount. The issue of health insurance has been vigorously debated by the US Congress over the last several years. In USA, there is massive transformation in the health care sector with the presentation of new health care bill, signed by President Obama in 2010 entitled “Patient Protection and Affordable Care Act 2010”, which is also called the Obama Health Care Plan or Obama Care Plan. Millions of Americans have already benefitted from the plan which facilitated them with affordable and standardized health insurance service. The bill has increased the outreach of health care rights to wider sections of the society and has also been instrumental in keeping a check on the excessive expenditure on healthcare (Milakovich, 2012).

Customer Satisfaction

The term ‘customer satisfaction’ reflects the experience or feelings of customers after using any product/ service. It is, therefore, imperative for the organizations to prioritize the achievement of adequate level of customer satisfaction regarding their goods/services (Solomon, 1999). Neal (1998) has defined customer satisfaction as the mechanism which compares what “customers believe should happen (expectations)”, in contrast to “what they believe did happen (performance perception)”. According to Sureshchandar, Rajendran, & Anantharaman (2002), the gap between the customers’ expectations from products or services and the actual deliverables is measured by the level of customer satisfaction. In a market characterized by stiff competition amongst the service providers, the level of customer satisfaction serves as the “Key Performance Indicator” for the companies. It is needless to mention that, the success of business in the long term is guided by the level of customer satisfaction achieved by it. It is rightly portrait as a global phenomenon which plays prominent role in every organization, big or small, local or multinational. It is evident that, profitability is directly proportional to the number of satisfied customer that a company has. Customer satisfaction also affects the level of customer loyalty which is further reflected in the economic returns of a company.

Quality Dimension in Medical Care

In Medical care, the term quality can be interpreted in various ways. “Medical quality consists of a mixture of hard technical elements such as correct diagnosis, appropriate intervention, and effective treatment as well as soft element such as good communication, patient’s satisfaction, and consideration for the patient’s preferences” (Gill, 1993, p. 180). Utouh & Mowo (2000) said that some companies which are committed to maintaining employee health, get into contract with reputable hospitals for treatment of their employees while other companies have established clinics in order to provide broad treatment of non-occupational diseases. Physicians at such clinics provide treatment for cases such as cold and malaria, while serious cases are referred to more specialized hospitals such as Muhimbili Medical Centre and the Aga Khan Hospital in Dar es Salaam.

Customers’ Expectations and Perception

Dealing appropriately with customers is something very important because organizations depend on them and without customers the organization cannot stand. The managers can reap benefits by maintaining strong relationship with customers. It provides them the opportunity to inculcate new ideas for improvement and ultimately assists them to measure and adjust their performance with respect to barometer of customer satisfaction (Longenecker & Neubert, 2003). Various research scholars have debated to find similarities or distinguish between customers’ requirements, expectations, and needs but there has been no clarity on the same. The results of the study by Parasuraman et al. (1994) added a remarkable point in the discussion by stating that “the meaning of expectations was different when applied to customer satisfaction (predictions by the customer of what is likely to happen during a service encounter) and service quality (the desire or wants of the

customer or what the supplier should deliver)” (p. 122).

SERVQUAL Model of Customer Satisfaction

“The SERVQUAL model was proposed by Parasuraman et al. in 1988. The model presupposes that service quality is the difference between expectations and performance relating to quality dimensions. These differences are referred to as gaps. The gaps model conceptualizes five gaps which are: Gap 1: difference between customers’ expectation and management’s perceptions of customers’ expectations (not identifying what customers expect); Gap 2: disparity between management’s perceptions of customer’s expectations and service quality specifications (inappropriate service-quality standards); Gap 3: variations between service quality specifications and service actually delivered (poor delivery of service quality); Gap 4: difference between service delivery and the communications to customers about service delivery (promises mismatch delivery); Gap 5: difference between customer’s expectation and perceived service; this gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer’s side. This was the basis for the development of the SERVQUAL instrument which initially consisted of ten dimensions” (Dash, Parwez, & Parwez, 2013, p. 34). The ten were later refined into five dimensions: reliability, responsiveness, tangibles, assurance, and empathy which capture access, and understanding or knowing the customers.

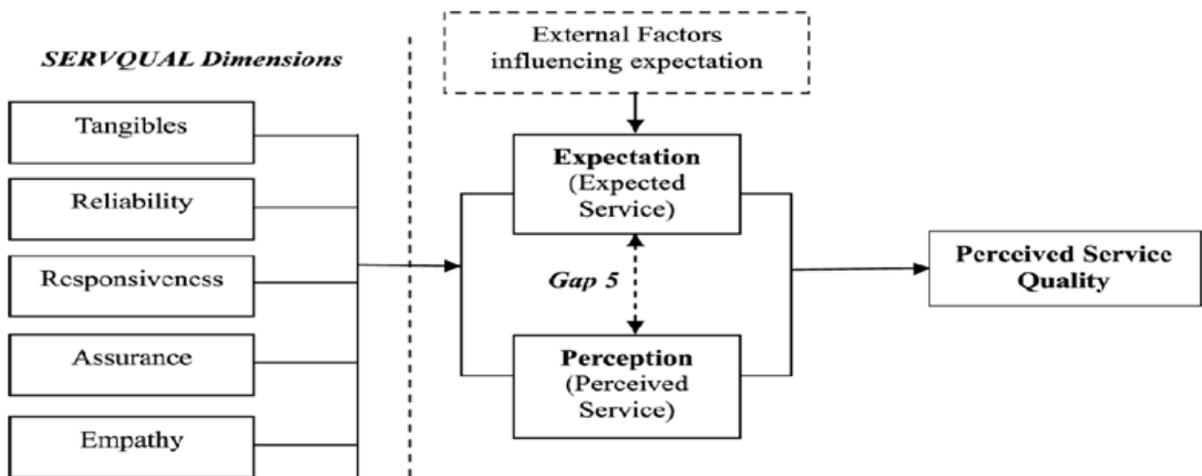


Figure No. 1: SERVQUAL Model of Customer Satisfaction

Source: Kumar, Kee, & Manshor (2009)

Empirical Literature Review

Tucker & Adams (2001) observed that “patient satisfaction is predicted by factors relating to caring, empathy, reliability, and responsiveness and also identified dimensions affecting patient evaluations which include physician conduct, service availability, continuity, confidence, efficiency, and outcomes” (p. 274). “Other dimensions have been introduced to capture patients’ healthcare evaluations including, core services, customization, professional credibility, competence, and communications” (Fowdar, 2005, p. 432). On the other hand, Woodside, Frey, & Daly (1989) identified “primary patient satisfaction determinants which are admissions, discharge, nursing care, food, housekeeping, and technical services” (p. 9). In addition, the perception of patients towards communication skills of the physician holds significant influence on their satisfaction level. Tucker (2002) argued that outcomes are defined as the change in physical health status directly attributable to the healthcare experience and efforts. Service quality, therefore, is the degree to which care was humane and

competent. If the service provider's competence is perceived high, then levels of customer satisfaction also increase. Competence strongly influences patients' service quality assessments. "Staff demeanor also has a significant impact on customer satisfaction. The manner in which staff interacts with the patient and staff sensitivity to the patient's personal experience seems to be important" (Naidu, 2009, p. 368). Gilbert, Lumpkin, & Dant (1992) compared "patient expectations of three different health provider options namely, emergency rooms, private physician, and walk in clinics. Expectation and performance questions covered several attributes: time spent with the physician; the way in which diagnosis, treatment, and care were explained; physician and staff friendliness; and amount of information provided. There was also two instrumental attributes namely, cost and physician competence" (p. 47). Lal (2001) stated that "various categories of nations have different types of problems. They are different in nutritional standards, child mortality rate, accidents rate per thousand (both industrial and non-industrial and reasons thereof), the existence of different tiers and Health Care Systems, their cost and quality, old age care (p. 1). Madan & Kumari (2012) stated that, "as service industry has contributed significantly to global economy in the past few decades, service quality draws attention of many practitioners and researchers (p. 118). Singh & Gupta (2014) stated that, "in knowledge economy/society, human asset constitutes to be the focal point around which all economic activities rotate" (p. 20).

The Knowledge Gap

From the above explained empirical literature, there is no doubt that a good number of research similar to this study have been conducted extensively. However, there is evidence that there is no study known to the researcher focusing customer service quality and customer satisfaction on health service in Tanzania specifically related to our study area.

Research Methodology

Research Design

The case study design was adopted for the study. The main reason for selecting case study approach was that data from the case studies are richly comprehensive and reliable because of their ability to explore instances in-depth, and enable the researcher to get information which is purposive and comprehensive.

Area of the Study

The study was conducted at Temeke hospital, Mbagala Zakheem government hospital, and Aga Khan medical center.

Population of the Study

The target population of the study was staff of the selected hospitals and the customers who are members of NHIF and who get treatment from the selected hospitals in Temeke District.

Sample Size and Sampling Procedures

The sample size is determined using the formula given by Kish (1965), as presented below:

$$N = Z^2 p (1-p)/e^2$$

where, N = the required minimum sample size

Z = standard normal deviate corresponding to 95% satisfaction level=1.96

P = proportion of NHIF members Temeke district = 5%

e = marginal of error = 5%

$$N = 1.96^2 \times 0.05(1-0.05)/0.05^2 = 72.9904$$

Since the formula above gives a minimum sample size, the researchers decided to round it up to 100, divided between customers (70) and staff (30) from the hospitals under study. Given, the nature of study, researchers decided to apply two sampling methods as shown under:

Purposive Sampling

In dealing with the staff from selected hospitals, the study employed purposive sampling because it directed the researcher to the respondents who had knowledge and basic understanding of the health services on service quality and customer satisfaction.

Convenience Sampling

In dealing with customers, the study used convenience sampling. The researcher selected respondents who were ready and willing to participate in the study. The majority of the respondents were captured during the time of visiting the selected hospitals for service.

Data Collection and Analysis

Researchers used interview and questionnaires in collecting primary data. Desk review was done in a bid to collect secondary data. Both qualitative and quantitative data procedures were employed. Qualitative data were quantified subject to content analysis, with a view of extracting relevant and useful information. The quantified data were then presented in simple tables, where frequencies and percentages were calculated to facilitate comparisons between respondents for the purpose of drawing up of inferences related to a particular research question of this study.

Discussion of the Findings

This section presents the interpretation and discussion of the findings. The study sought to examine customer satisfaction on services offered by selected hospitals through NHIF in Temeke District.

Examination of Customer Satisfaction for NHIF Members

Level of Customer Satisfaction

The findings as obtained from the field clearly indicate that, majority of staff (66.7%) from selected hospitals which provide health services under NHIF stated that at normal (moderate) satisfactory level, the customers (patients) are satisfied with the services they offer. According to these findings, it can be said that the level of satisfaction of the customers (patients) towards the services offered by the hospitals under NHIF is reasonable. However, the perceptions of the staff seem to be contrary to the majority of the customers (patients). The findings provide that, 54.3% of respondents who get services under NHIF said at low satisfactory level, they are satisfied with the services offered by selected hospitals under NHIF. This implies that, the services provided do not meet the desires or needs of the customers. It makes the researcher to believe that the services provided by the selected hospitals under NHIF are poor. The study by Edvardsson (1998) provides that the customer's total perception of a service is based on his/her perception of the outcome and the process; the outcome is either value added or quality and the process is the role undertaken by the customer.

Timely Service Delivery

About 86.7% of the staff were of the opinion that the customers do get services promptly. This implies that time management is considered by the health institutions. When the services are offered on due time, it tends to create customer satisfaction towards the services offered because the researcher views that most of the health institutions do not provide services on time which results in long queues and delay of services. Supporting this argument, Mengi (2009) show that delivery of the services is characterized by two dimensions, speed and reliability, that is, delivery of the services at right time in right quantity from right source delivered to right person. Organization with no strategic plan for delivery of product or service is similar to that person who starts his/her journey without knowing the final destination.

On the other hand, 55.7% of the customers (patients) said they do not get services at prompt time. This justifies to argue that, there is no mechanism of time management on the part of hospitals which offer services under NHIF. Time is one of the most important factors for services delivery at any health institution. Timely service delivery not only encourages customer satisfaction, but also it signifies the manner of responsibility. One of the customers (patient) stated that:

“When I come to get the service, I usually spend between 1 and 2 hours for the service which I would get for 30 minutes elsewhere. This affects my activity of that day. It really discourages the patients”.

Receiving of the Complaint

All staff-respondents said that they tend to receive complaints from the customers (patients). This implies that, complaint is part and parcel of health institution, as the researcher views that there is no perfect service provider. Any health organization, whether public or private, that tends to receive complaint and work on it, shows the sense of responsibility and accountability. In connection to the above argument, one of the staff said that:

“We normally tend to receive the complaints from our patients through suggestion box or sometime when attending them, they just tell us what they have concerning with the manner of service delivery. So, it’s our tradition to receive the complaint and work on it”.

On the issue of whether the complaints received are resolved on time, the findings show that, majority of the staff (80%) said the complaints are solved on time. This implies that the selected hospitals which provide the services under NHIF are aware with the time management in dealing with the customers’ complaints. This increases customer satisfaction which is very important for any health institution to maintain quality. The views of the staff from different selected hospitals which provide services under NHIF are similar to the findings of Aliman & Mohamad (2013) which pointed out that when the public sector organizations provide the service at the required time, it contributes significantly in creating their positive image and reliability in the society. Public grievances related to long queues, provision of poor services, and inadequate physical facilities are not enough to hamper the image and quality of service providers in the public sector.

The findings show that, 38 out of 70 (54.3%) of respondents made complaint with regard to the health services offered by the selected hospitals under NHIF. This justifies that, majority of the patients in one way or another, are not satisfied with some services they get from the selected hospitals. The researcher points out that, complaint is a sign or indication that something is wrong, therefore, some measures should be taken. The study by Fick & Ritchie (1991) shows that, there are two reasons which leads to arousal of complaints by the customers. First deals with the attitudinal aspects of the customers and inadequacy of the functions/arrangement made available to them. Secondly when there is difference between standards of services expected and actual services rendered.

Kinds of Complaints Made

The findings indicate that number of complaints were made with regard to the services offered by selected hospitals under NHIF. These included the complaint on the issue of delay of services, complaint on the issue of using of harsh language, complaint on corruption, and complaint on poor services. However, above all stated complaints, the findings show that majority of respondents (42.1%) who made complaint had complained on the issue of delay of services. These are the perceptions of the patients from different selected hospitals. The researcher finds this to be a serious and critical problem as it was found in every selected hospital in the study in one way or another, affecting the customer satisfaction and service quality. If the customer does not get the service he/

she desires, it means that the organization (health organization) does not meet the customer's expectation. The situation becomes worse if the problem or complaint made is not solved on time or it is not solved at all. This also may affect the relationship between the customers (patients) and the health service providers. The study by Kuo, Wu, & Deng (2009) unveils that, "the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers" (p. 5).

Furthermore, the findings indicate that 86.8% of the customers (patients) who made complaint said the complaints were not solved on time. This affected customer satisfaction on health services. If the complaint is not solved on time, it means that the service provider does not care for the customers. This tends to create bad image for the customers/patients. The researcher finds this to discourage the patients not to rely on the NHIF as it is the one which directs the employees who are its members to the hospitals.

The Quality of Medical Care Provided by Selected Hospitals through NHIF

About 38.6% of respondents (patients) said that the medical care provided is of low quality. This implies that the medical care provided by the selected hospitals is not at a satisfactory level. This affects customers' (patients) satisfaction based on the services provided. As Cul, Lewis, & Park (2003) stated that, "service quality is a measure of how well the service level delivered matches customer expectations. Thus, it is the degree of discrepancy between customers' normative expectations for service and their perceptions of service performance" (p. 191). Meanwhile, Tucker (2002) argued that service quality, therefore, is the degree to which care was humane and competent. If the service provider's competence is perceived high then levels of satisfaction also increase. Competence strongly influences patients' service quality assessments. Staff demeanor also has a significant impact on customer satisfaction. The manner in which staff interacts with the patient and staff sensitivity to the patient's personal experience seems to be important.

Perceived General Customer Satisfaction

The findings on the part of customers (patients), who get the services from selected hospitals under NHIF, indicate that majority of the respondents (58.6%) indicated their dissatisfaction with respect to the services offered by selected hospitals under NHIF. This implies that they are not attended well in health service delivery. The researcher observes that their views are quite different from what the staff from selected hospitals, which provide health services under NHIF stated. This implies that in one way or another, the services provided are not of good quality. This, therefore, affects customer satisfaction as supported by Lee, Lee, & Yoo (2000) who propounded that, "perceived service quality is an antecedent of satisfaction, rather than vice versa" (p. 217). Various other studies have empirically established the fact that the level of customer satisfaction is directly associated with the level of service quality. As service quality improves, the probability of customer satisfaction increases. Quality was only one of many dimensions on which satisfaction is based; satisfaction is also one potential influence on future quality perception.

To support the above argument, one of the patients who gets services under NHIF from Temeke hospital had the following to say:

"I do not get the quality services as I am supposed to get. Availability of medicines is somehow a problem; there are long queues and delays of services. When I try to argue on this, they end up telling me that if I cannot afford to wait, find alternative way".

Level of Customer Satisfaction through SERVQUAL Model Dimensions

In an attempt to find out the level of customer satisfaction, the study applied SERVQUAL model

dimensions as presented under:

Tangibility

According to Annath, Ramesh, & Prabakaran (2010), “tangibility relates to the physical aspects or evidence of a service. Physical aspects of retailer include appearance of equipment and fixtures, physical facilities, materials associated with the service, appearance of personnel and communication, convenience of physical facilities, and layouts. In addition to the appearance of the facilities, it also takes into account, the convenience offered to the customer by the layout of physical facilities” (p. 247). In tangibility, the researcher was interested in finding out whether the customers are satisfied with the environment and premises of the selected hospitals where health services are provided. The findings show that 45.7% of respondents who are members of NHIF and who get health services from the selected hospitals were dissatisfied with the environment and premises of the selected hospitals where health services are provided. This implies that the environment and premises of the selected hospitals are not kept well or are not attractive in one way or another to influence the customer’s or patient’s satisfaction. However, the researcher observed that, this affects the service quality. Good environment and premises of the health organizations/hospitals have the vital role towards the customers’ perceptions on service quality and customer satisfaction. If the environment is not kept well, that is to say are dirty, it probably may affect the quality of the services provided. Supporting the above argument, one of the respondent (patient) said that:

“The environment of this hospital (the name of hospital was hidden) are not conducive, they are dirty. The staff do not care, no one cares. This affects our health because there are some chemicals which may affect us. Above all, the surrounding areas are not kept clean as required”.

This is also agreed by Andaleeb (2008) who propounded that the positive perception towards hospital’s physical facilities, involving cleanliness, hygiene, modern equipment, and conditions helps in increasing the patient’s satisfaction.

Reliability

According to Auka, Bosire, & Matern (2013, p. 38), “Reliability means the service provider’s ability to perform the promised service dependably and accurately. This is achieved through keeping promises to do something, providing right service, consistency of performance and dependability, service is performed right at the first time, the company keeps its promises in accuracy in billing and keeping records correctly, availability of merchandise, and error-free sales transactions and records. Reliability also consists of accurate order fulfillment and accurate record, accurate quote, accurate billing, accurate calculation of commissions, and keeping services promise. He also mentioned that reliability is the most important factor in banking services.”

In reliability, the researcher sought to investigate whether the customers are satisfied with the services provided by selected hospitals through NHIF as promised. The findings show that 55.7% of the respondents, who are members of NHIF, disagreed that they were satisfied with the services provided by selected hospitals through NHIF. This implies that the services provided by the selected hospitals do not meet the standards of the customers/patients. This affects the customer satisfaction toward the services provided. The research shows that, unnecessary delays, use of harsh language and corruption are among the factors which deteriorate customer/patient satisfaction. If the services are not provided on due time, it will definitely affect the customer satisfaction. It was revealed that, some patients despite the fact that they use NHIF cards, they tend to wait for services for more than 2 or 3 hours at some of the selected hospitals. Also, corruption practice affects customer satisfactions because the service will be based on favor. The study by Gilbert et al. (1992, p. 46) “used adaptation and exchange theories to explain customer expectations, disconfirmation, and satisfaction as applied to three types of health care providers: physicians, walk-in clinics, and

hospital emergency rooms. The results show how new referents for expectations challenge competitors to increase performance in order to match changing industry standards.”

Furthermore, in reliability, the study also sought to find out customer satisfaction on the way the complaints are handled. Large number of customers/patients (28.5%) disagreed that they are satisfied with the way complaints are handled by the selected hospitals. This implies that, the way complaints are provided and the way the customers are handled are inappropriate. The study found that most of the complaints that are made by the customers/patients are either not solved on time or they are not solved at all. This again affects the customer satisfaction on the services provided. This is similar to what was discussed in the study by Moller (2008) which indicated that complaints of the customers should be solved on time, customers should be equipped with proper facilities which they can use to escalate their grievances in the event of unsatisfactory redressal of their complaints by the organization.

Responsiveness

Responsiveness is the timely reaction towards the customers’ needs. “It is the willingness and ability of the service provider to meet and adapt to customers’ needs. Willingness to help customers is likely to have an important and positive effect on customer satisfaction” (Millas, 2013, p. 52). In responsiveness, the researcher assessed the employees’ promptness in providing services. About 57.2% of the respondents disagreed that they are satisfied with the employees’ promptness in providing services. This implies that, there is a problem with regards to employees’ promptness in providing services to the members of NHIF. Some employees are not responsive to the needs of the customers/patients. However, this may affect the customer satisfaction and assurance of the services provided. According to Mengi (2009), responsiveness on the employees’ promptness in providing services describes how quick and affective the response is towards them. Responsiveness is likely to have a significant and positive impact on customer satisfaction.

Moreover, in responsiveness, through the willingness of employees to help customers, the data provide that 52.9% respondents were dissatisfied with the poor willingness of employees to help customers. This perhaps affects the customers/patients’ positive perception on the staff in the health sector, especially in helping the customers to address their problems. They are not responsive to the needs of the patients. Based on the above findings, one of the customers/patients from one of the selected hospitals, made the following statement:

“Some staff tend to despise the patients. You may call him/her several times, but at last may come at the time he or she thinks it is right for him/her without considering the time you have spent on the bench at the hospital. Sometimes, they answer the patient harshly...like “Unataka nini, usinisumbue...what do you want, don’t disturb me”. That is not fair. They should treat patients equally regardless of their economic status because we are the members of NHIF regardless the colour of our cards”.

This is also in agreement with the study of Auka, Bosire, & Matern (2013, p. 42) which stated that, “responsiveness is the determinant that defines the willingness to help customers and to provide prompt services. It is the desire and willingness to assist customers and deliver prompt services. Willingness to help customers is likely to have an important and positive effect on customer’ perceived service quality and customer satisfaction.”

Assurance

Assurance refers to the “competence, i.e., the possession of the required skills and knowledge to perform the service; courtesy, i.e., the consideration for the customer’s property, clean and neat appearance of public contact personnel; and credibility and security of the employees and their

ability to inspire trust and confidence” (Parasuraman, Zeithaml, & Berry, 1985, p. 47). In assurance, the study sought to find out whether the customers are satisfied with the knowledge of the service providers of the selected hospitals. The results indicate that majority of the respondents, that is 20 of 70 (28.6%) respondents disagreed that they are satisfied with the knowledge of employees. This is also incurred with the findings of Sadek, Zainal, Taher, Yahya, Shaharudin, Noordin, Zakaria, & Jusoff (2010) which asserted that employees’ knowledge include employees’ knowledge to answer questions, providing prompt services, and giving individual attention.

Empathy

Auka, Bosire, & Matern (2013) asserted that, “empathy is the caring and personalized attention that the organization provides to its customers. It is reflected in the service provider’s provision of access, communication, and understanding the customer. Individual attention, convenient operating hours, understanding of the staff when a problem occurs, and the knowledge the employees have about the customers’ needs were the primary elements included in the evaluation of empathy. The degree to which the customer feels the empathy will cause the customer to either accept or reject the service encounter. The higher the level of empathy, the higher is the overall evaluation of retail service quality” (p. 42). Based on the empathy, the study was directed to investigate customers’ views on whether employees understand the needs of the customers. The results indicate that, 41 of 70 respondents (58.3%) disagreed that the employees understand the needs of the customers. This implies that in one way or another, the employees have no much care to the needs of the customers. This also affects the customer satisfaction on the health service delivery.

Conclusions and Recommendations

The study concludes that, customer service quality has significant impact on the customer’s satisfaction as it has been observed that majority of the customers/patients who get services through NHIF from the selected hospitals were not satisfied with the health services they get. This, therefore, affects service quality and customer satisfaction. It is the responsibility of the selected hospitals which provide services through NHIF to ensure that the members of NHIF get treatment at the satisfactory level.

It is recommended that the hospitals should ensure that, services are provided on due time to ensure that customers/patients are satisfied with the services. This will increase health service delivery. The staff and all other employees are required to use polite language while serving people. This will create a good relationship between the patients who are the customers and the staff. The complaints of the customers (patients) should be addressed on time to avoid unnecessary delays and also to increase trust among the customers/patients. NHIF should ensure that its members are treated equally regardless of their identity card classes. This will lead to avoid poor health service delivery because the selected hospitals tend to treat the patients who are the members of NHIF depending on their classes identified through the color of their identity cards. More efforts and collaboration between NHIF and health institutions should be taken into consideration for effective health service delivery.

Areas for Further Research

Given the scope of this research in terms of coverage, the researcher could not cover all hospitals which serve NHIF clients nor could it cover other health insurance schemes. It is, therefore, recommended that further studies should focus these areas.

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